

Message Text

LIMITED OFFICIAL USE

PAGE 01 BRIDGE 00379 011437Z

42

ACTION ARA-20

INFO OCT-01 EUR-25 ISO-00 CIAE-00 DODE-00 PM-07 H-03

INR-10 L-03 NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03

SS-20 USIA-15 SAM-01 AID-20 COME-00 EB-11 FRB-02

TRSE-00 XMB-07 OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01

DRC-01 CU-04 HEW-08 /199 W
----- 081450

R 281447Z FEB 74

FM AMEMBASSY BRIDGETOWN

TO SECSTATE WASHDC 6806

INFO AMEMBASSY GEORGETOWN

AMEMBASSY KINGSTON

AMEMBASSY LONDON

AMEMBASSY PORT OF SPAIN

AMEMBASSY NASSAU

LIMITED OFFICIAL USE BRIDGETOWN 0379

E.O. 11652: N/A

TAGS: EFIN EGEN ECON

SUBJ: GRENADA: GOG TO FACE PAYROLL CRISIS

REF: BRIDGETOWN 334

1. BRITISH DEVELOPMENT DIVISION IN CARIBBEAN (DEVDIV) DIRECTOR INFORMED EMBOFF FEB 26 THAT GRENADA GOVT WILL FACE MOUNTING PRESSURE OVER NEXT FEW WEEKS BECAUSE OF ITS INABILITY TO PAY FEBRUARY CIVIL SERVICE SALARIES, INCLUDING THOSE OF POLICE. SIR BRUCE GREATBATCH DISCLOSED THAT GOG MINFIN GEORGE HOSTEN AND MINFIN PERMSEC LAURIE WILSON RECENTLY APPROACHED DEVDIV WITH REQUEST FOR FURTHER FINANCIAL AID TO MEET NEXT CIVIL SERVICE PAYROLL. FEB PAYROLL DUE WITHIN NEXT FEW WEEKS.

2. HMG DID PROVIDE SOME ASSISTANCE IN JAN WHICH ENABLED GOG
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BRIDGE 00379 011437Z

TO MEET AT LEAST PORTION OF ITS PAYROLL. CIVIL SERVANTS WERE

NOT PAID THEIR JAN SALARIES UNTIL MID FEB, AND ONLY PART RECEIVED FULL PAYMENTS. TEACHERS AND MOST PUBLIC EMPLOYEES WERE REPORTEDLY PAID ONLY HALF SALARY.

3. GREATBATCH TOLD GRENADIANS THAT HMG WAS MOST RELUCTANT TO COMMIT FURTHER FUNDS AT THIS TIME TO NON-DEVELOPMENT PURPOSES. HOSTEN AND WILSON THEN DEPARTED FOR LONDON WHERE THEY RECEIVED SIMILAR RESPONSE FROM FOREIGN OFFICE BUT WERE TOLD NO FINAL DECISION COULD BE MADE UNTIL AFTER ELECTION. DEVDIV UNDERSTANDS BOTH GRENADIANS ARE STILL IN LONDON PLANNING TO MAKE APPROACH TO HMG FOLLOWING THIS WEEK'S ELECTION.

4. DEVDIV, WHICH ESTIMATES GOG REQUIRES ABOUT US\$450,000 PER MONTH TO MEET FULL SALARY PAYROLL, STATES THAT HMG IS RELUCTANT TO BECOME INVOLVED IN SUPPORTING GOG FURTHER UNTIL LATTER RESOLVES ITS OWN INTERNAL POLITICAL DIFFICULTIES. HMG EXPECTS TO CONTINUE DEVELOPMENT AID AT PRE-INDEPENDENCE LEVELS BUT SEES NO POINT IN PROVIDING FURTHER BUDGETARY SUPPORT UNTIL NORMALITY RESTORED. WHILE DEVDIV HAS NO WAY OF KNOWING WHAT FINAL ANSWER TO GOG REQUEST MAY BE, IT DOUBTS THAT HMG WILL FURNISH SUCH SUPPORT GIVEN PRESENT ECONOMIC STANDSTILL IN GRENADA.

5. COMMENT: IT SEEMS LIKELY THAT MASS OF UNPAID CIVIL SERVANTS WILL BECOME SOURCE OF PRESSURE ON GOG TO NORMALIZE GRENADA ECONOMY WHICH IS NOW ALMOST TOTALLY WITHOUT GOVERNMENT REVENUES, BULK OF WHICH COME FROM CUSTOMS DUTIES AND EXCISE TAXES.
DONOVAN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FINANCIAL CRISIS, WAGES, ECONOMIC ASSISTANCE, PUBLIC ADMINISTRATION, CIVIL SERVICE EMPLOYEES, POLITICAL SITUATION, GOVERNMENT REVENUES
Control Number: n/a
Copy: SINGLE
Draft Date: 28 FEB 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BRIDGE00379
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: BRIDGETOWN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t1974024/aaaaacyc.tel
Line Count: 90
Locator: TEXT ON-LINE
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: BRIDGETOWN 334
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 20 JUN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 JUN 2002 by boyleja>; APPROVED <27 JUN 2002 by morefirh>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GRENADA: GOG TO FACE PAYROLL CRISIS
TAGS: EFIN, EGEN, ECON
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005